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SIPDIS SENSITIVE

DEPT FOR EUR/RUS, EEB/ESC HAMMANG, EEB/TFS BACKEYMEYER, AND NEA/IR WADHWANI DUBAI FOR IRPO

E.O. 12958: N/A

TAGS: EPET ENRG ECON PREL ETTC RS IR

SUBJECT: RESPONSE TO IRAN SANCTIONS ACT INQUIRY

REF: STATE 121808

MFA

11. (SBU) Per reftel, we notified MFA Head of U.S.-Russia Bilateral Desk Alexander Zakharov of our inquiry regarding the ISA. Zakharov said he would pass on the information to his superiors but otherwise did not provide any substantive reaction.

GAZPROM

- 12. (SBU) Per reftel, we asked Gazprom Director of Foreign Relations Ivan Zolotov (protect) about Gazprom's investments in Iran and notified him of our obligations under the ISA. Zolotov could not provide a specific value related to Gazprom's investments in Iran, but identified only one that would appear to trigger further investigation -- Gazprom's investment in Iran's South Pars gas field. According to Zolotov, Gazprom entered into the project with France's Total, and Gazprom is the operator of the project. Zolotov said he believes Total has now exited the project, and added that Iran has invited Gazprom to expand its activities related to the field. Zolotov said he did not know how much Gazprom has invested in the field, but that it had received approximately \$1 billion in revenues from the project thus far.
- 13. (SBU) Zolotov said Gazprom has also had a role in the proposed Iran-India-Pakistan gas pipeline, but the project has not moved forward and no significant investments have yet been made. He did not expect the project to be revived anytime soon. He repeatedly stressed that Iran is not a priority for Gazprom and noted that Gazprom's sole representative in Iran will soon retire and is not expected to be replaced. Zolotov said further inquiries into details of Gazprom's activities would have to be in writing and warned that such inquiries are likely to be poorly received by Gazprom management.

LUKOIL

14. (SBU) A senior Lukoil representative told us in response to our inquiry per reftel that Lukoil's only investment in Iran is its stake (which he estimated at 20 - 25%, while assigning no monetary value) in an exploration project in the Amaran block. The representative said Norway's Statoil is the operator and leader of the project. According to our

contact, Lukoil's role in the project has been as a service provider. He said a discovery had been made, but that no further action had been taken to determine the commercial value or viability of the project. He referred to the project as "dormant," adding that it is not in Lukoil's investment program for the coming year and is not on Lukoil's balance sheet. He said Lukoil takes the ISA issue very seriously and that it would be happy to answer any further inquiries. However, he explained that any inquiry requiring detailed answers would need to be in writing and that a response to such an inquiry would have to go through various offices in Lukoil, including the president's. Beyrle